

MEDICARE SAVINGS PROGRAM

Purpose: There are several different programs designed to help clients pay for Medicare premiums, deductibles, and coinsurance.

Effective June 13, 2002

WAC 388-517-0300 Medicare savings programs

The Medicare savings programs help a client pay some of the costs that Medicare does not cover. When determining eligibility for these programs, the department follows the income and resource methodology of the Supplemental Security Income (SSI) program described in [chapter 388-474 WAC](#). For a client receiving long-term care (LTC) services, refer to subsection (4) of this section.

- (1) The department determines a person's eligibility in the following order:
 - (a) The qualified medicare beneficiary (QMB) program;
 - (b) The specified low-income medicare beneficiary (SLMB) program;
 - (c) The qualified individual (QI-1) program, formerly known as the expanded special low income Medicare beneficiary (ESLMB) program;
 - (d) The qualified disabled working individual (QDWI) program;
 - (e) The qualified individual (QI-2) program, formerly known as the qualified individual (QI) program;
 - (f) The state-funded buy-in program, formerly known as the Medicare buy-in program.
- (2) In order to be eligible for any of these programs, a person must:
 - (a) Be eligible or receiving Medicare Part A; and
 - (b) For the QDWI program only, be under the age of sixty-five; and
 - (c) Have nonexcluded resources at or below the resource standard, see WAC 388-478-0085(6).
- (3) A person must also meet the income standards as follows:

- (a) For the QMB program, see [WAC 388-478-0085\(1\)](#);
 - (b) For the SLMB program, see [WAC 388-478-0085\(2\)](#);
 - (c) For the QI-1 program, see [WAC 388-478-0085\(3\)](#);
 - (d) For the QDWI program, see [WAC 388-478-0085\(4\)](#);
 - (e) For the QI-2 program, see [WAC 388-478-0085\(5\)](#); and
 - (f) For the state-paid buy-in program, there is no maximum income limit as long as the person receives services under either categorically needy (CN) or medically needy (MN) programs.
- (4) When determining an LTC client's eligibility for Medicare savings programs, the department considers countable income and resources left after the following are deducted:
- (a) Allocations to a spouse and/or dependent family members; and
 - (b) The client's participation in the cost of care.
- Refer to [chapter 388-513 WAC](#) for the LTC rules.
- (5) The department adjusts income standards for Medicare savings programs on April 1st of each year, see [WAC 388-478-0085](#). The department also applies the annual Social Security cost-of-living adjustment (COLA) for these programs on April 1st of each year. Therefore, the annual COLA does not effect the eligibility of either applicants or clients of Medicare savings programs until April 1st of each year.
- (6) The department pays the following benefits for Medicare savings program clients:
- (a) Under the QMB program: Medicare Part A if any, Part B premiums, coinsurance, deductibles as described in subsection (7) of this section, and medical expenses the client's Medicare managed care plan charges;
 - (b) Under the SLMB or QI-1 programs: Only Medicare Part B premiums (see the exception under subsection (11) of this section);
 - (c) Under the QDWI program: Only Medicare Part A premiums;

- (d) Under the QI-2 program: Only a part of the client's Medicare Part B premiums. The Centers for Medicare and Medicaid (CMS) determine the amount which is paid. The department pays the client on an annual basis (see the exception under subsection (11) of this section); and
 - (e) Under the state-funded buy-in program: Medicare Part B premiums, coinsurance, deductibles as described in subsection (7) of this section, and medical expenses a client's Medicare managed care plan charges.
- (7) The department has certain maximum payments for services provided to Medicare savings programs clients:
 - (a) Medicare co-insurance charges are paid only if the Medicaid payment rate is higher than the amount paid by Medicare, and within that limit, only the cost-sharing liability;
 - (b) Dual eligible clients are those who are eligible for QMB and SLMB programs and another Medicaid program. For dual eligibles, the department's maximum payment is:
 - (i) for covered services, the Medicaid or the Medicare payment rate whichever is lower; and
 - (ii) for services only covered by Medicare, the Medicare deductibles and co-insurance is the maximum Medicaid payment.
- (8) The department does authorize QMB, SLMB or state-funded buy-in programs for the client receiving categorically needy (CN) or medically needy (MN) programs. The state-funded buy-in program is only for a client receiving CN or MN medical coverage who is not eligible for the QMB or SLMB programs.
- (9) The department does not authorize QI-1, QI-2, or QDWI programs for a client receiving CN or MN medical program benefits.
- (10) The department does not authorize the QI-2 program for a client who is eligible for one of the other Medicare savings programs.
- (11) When the department's annual allotment of federal funds for the QI-1 and QI-2 programs is exhausted, the department does not authorize benefits under the respective program for the remainder of that calendar year.
- (12) For certification periods for the Medicare savings programs. refer to [WAC 388-](#)

416-0035.

CLARIFYING INFORMATION**Contact Information for MAA:**

Audrey Finnigan - email: finniaa@dshs.wa.gov phone: (360) 725-1894

Terry Popp - email: popptv@dshs.wa.gov phone: (360) 725-1221

Medicare Parts A and B

1. Medicare is a federal health insurance program administered by the Social Security Administration (SSA) and the Centers for Medicare and Medicaid Services (CMS). Medicare covers people who:
 - a. Have worked under the Social Security or Railroad Retirement systems and:
 - (1) Are age 65 or older; or
 - (2) Have been receiving Social Security or Railroad disability benefits for at least 24 months;
 - b. Need continuing dialysis for permanent renal failure;
 - c. Have received a kidney transplant within the last thirty-six months; or
 - d. Are receiving Supplemental Security Income (SSI) and:
 - (1) Are age 65 or older; and
 - (2) Have been a resident of the United States for at least five years.

NOTE: Only "qualified aliens" are eligible for "federal public benefits" which Medicare. See WAC 388-424-0005, Citizenship and Alien Status, for more information.

NOTE: Medicare Savings Programs clients can apply anytime during the

year for Medicare as the Open Enrollment criteria does not apply and the client will not be responsible for any penalties.

2. The Medicare program (Title XVIII of the Social Security Act) provides:
 - a. Part A coverage, also known as hospital insurance; and
 - b. Part B coverage, also known as medical insurance.
3. The Medicaid program (Title XIX of the Social Security Act) provides help to those persons eligible for a Medicare savings program by paying some of their out-of-pocket Medicare expenses. To be eligible for such assistance, a person must either be enrolled or entitled to receive Medicare Part A.
4. Part A is free (paid by SSA) for people who earned a certain number of credits for work under the Social Security or Railroad Retirement systems. People who did not earn a qualifying number of credits must pay a monthly premium to receive Part A benefits.
5. Unlike Medicare Part A which is sometimes free, Part B is never free. Everyone must pay a monthly premium to get Medicare Part B benefits.

The Medicare Buy-In Process

These steps need to occur to establish Medicare buy-in for a client. The Community Services Office (CSO) or the Home and Community Services (HCS) worker should tell the client that sixty to ninety days is the normal period of time before the State starts paying their Medicare premiums.

1. CSO staff determine Medicare Savings Program eligibility. ACES processing includes adding and/or updating the TPL screens. Workers should enter the "Y" on the DEM2 screen under "Medicare Entitlement."

If the client has Part A or Part B Medicare only, the CSO/HCS worker should contact the Medical Assistance Administration (MAA) Buy-In Unit so corrective action can be taken. Contact Audrey Finnigan, e-mail finniaa@dshs.wa.gov, phone (360) 725-1894 or Terry Popp, e-mail popptv@dshs.wa.gov, phone (360) 725-1221.

2. ACES runs a search application called the Potential Buy-In Processor once a

month, identifying clients who meet the buy-in criteria.

3. This process runs monthly after the last BENDEX update and before the monthly benefit issuance. This data is electronically transferred to Social Security (SSA). The data transfer must be completed by the 25th of each month.
4. SSA compares this data against the Medicare Beneficiary Master File to match specific data (name, date of birth, sex, and HIC number of the beneficiaries).
5. SSA forwards the matched data to the payment centers for the issuance of refunds to beneficiaries and updating of their records.
6. Advise the client to contact you if, after 60-90 days, the client is being billed or the premiums are still being deducted from their benefit checks. E-mail problem situations to MAA. See Contact Information for phone and email listings
7. MAA Buy-in Unit sends memos to the CSO/HCS worker requesting corrections or other information. Their return address is
MAA Buy-In Unit, MS 45570, Olympia.

Priority of Medicare Savings Programs

When considering Medicare Savings Programs for clients, it is important to consider each program in the following order:

1. **Qualified Medicare Beneficiaries without other Medicaid (QMB only) --ACES Medical Coverage Group S03** -- These individuals are entitled to Medicare Part A, meet the income and resource requirements of the QMB program, but are not otherwise eligible for other Medicaid programs. Medicaid pays their Medicare Part A premiums, if any, their Medicare Part B premiums, and their Medicare deductibles and co-payments up to the amount described in WAC 388-517-0300. These clients receive a Medical Identification (ID) card that verifies their eligibility for the QMB program only.
2. **QMBs eligible for another Medicaid program (QMB Dual) -- ACES Medical Coverage Group S03 plus another program** -- In addition to meeting the requirements of the QMB program, these clients are eligible for other Medicaid programs. They must be screened in ACES for the S03 coverage group (for QMB), in addition to their Medicaid ACES coverage group, e.g. S02 or L02. These clients

receive a Medical ID card that verifies their eligibility for both QMB and the other Medicaid program.

NOTE: The state cannot be reimbursed with federal matching funds for the Medicare premiums it must pay for this population, unless an S03 coverage group is opened in ACES.

3. **Specified Low-Income Medicare Beneficiaries without other Medicaid (SLMB only) -- ACES Medical Coverage Group S05** -- These clients are entitled to Medicare Part A, meet the income and resource requirements of the SLMB program, but are not otherwise eligible for other Medicaid programs. Medicaid pays their Medicare Part B premiums only. These individuals do not get a Medical ID card.
4. **SLMBs eligible for another Medicaid program (SLMB Dual) -- ACES Medical Coverage Group S05 plus another program** -- In addition to meeting the requirements of the SLMB program, these clients are eligible for another Medicaid programs. They must be screened in ACES for the S05 coverage group for (SLMB) in addition to their Medicaid ACES coverage group, e.g. S99 or L99. They receive a Medical ID card that verifies their eligibility for another Medicaid program.

NOTE: The state cannot be reimbursed with federal matching funds for the Medicare premiums it must pay for this population group, unless an S05 coverage group is opened in ACES.
5. **Qualifying Individuals (QI-1) -- formerly known as ESLMB (Expanded Specified Low-Income Medicare Beneficiary), ACES Medical Coverage Group S06.** This program became effective 1/1/98. There is an annual cap on the amount of money available, which may limit the number of individuals on the program. Approval always ends 12/31 of each year. These clients are entitled to Medicare Part A, meet the income and resource requirements of the QI-1 program, but are not otherwise eligible for Medicaid. Medicaid pays their Medicare Part B premiums only. These individuals do not get a Medical ID card.
6. **Qualified Disabled and Working Individuals (QDWIs), ACES Medical Coverage Group S04** -- These clients lost their free Medicare Part A benefits due to their return to work. They are entitled to Part A, meet the income and resource requirements of the QDWI program, but are not otherwise eligible for Medicaid. Medicaid pays their Medicare Part A premiums only. These individuals do not get a

Medical ID card.

7. **Qualifying Individuals (QI-2)** -- This program became effective 1/1/98. There is an annual cap on the amount of money available, which may limit the number of individuals on the program. These individuals are entitled to Medicare Part A, meet the income and resource requirements of the QI-2 program, but are not otherwise eligible for Medicaid. Medicaid reimburses them on an annual basis for only a portion of their Medicare Part B premiums. QI-2 is administered by Medical Assistance staff and is not supported by ACES.
8. **State-funded Buy-in** -- This program pays for out of pocket Medicare expenses for a person eligible for CN or MN but not eligible for a Medicare Savings Program. This program is paid solely with state dollars. These individuals get a Medical ID card for the respective CN or MN program with an "X" in the Medicare block of the Medical Coverage section.

NOTE: "Dual-eligibles" are clients who are entitled to Medicare Part A and/or Part B and are eligible for CN or MN Medicaid benefits. Although benefits provided by Medicare Savings Programs are funded through the Medicaid program, a person is not considered to be a dual eligible unless receiving CN or MN.

Applications

A person applying for QMB, SLMB, QI-1, and QDWI can get a DSHS 13-691 Application for Medicare Savings Programs, by mail, by calling their local Community Services Office (CSO) or Home and Community Services (HCS) office. A face to face interview is not required if the person is only applying for medical.

NOTE: Tribal Affiliation. The DSHS 13-691 Application for Medicare Savings Programs, page 4, includes Native American / Alaskan Native tribal affiliation. If the client declares this information, code the DEM1 screen (NAV AM TRIBE). Coding assistance is at F1 - HELP.

For QI-2 only, a person can obtain a DSHS 13-688 (Application for Medicare Qualified Individual (QI-2) Benefits) by mail by calling toll-free at 1-800-562-3022 or TDD Only (1-800-848-5429). MAA will mail an application or respond to a question within two working days of the call.

Determining Part A eligibility

Determine Medicare Part A eligibility by:

1. Obtaining proof of Medicare Part A from the client (e.g., Medicare card, Medicare award letter) if it is readily available;
2. Obtaining information about Medicare eligibility through the State On-line Query (SOLQ) available through ACES. The SSRE screen requires Social Security number, Last name, MI, First name, date of birth, male or female, and user information. The SSA2 screen shows Supplemental Medical Insurance (Part B) and Health Insurance (Part A). Option Codes are available through F1 - Help.
3. On problem cases, e-mail MAA for assistance. See Contact Information for email and phone listings.

Recertification Information

The certification period for QMB, SLMB and QDWI is 12 months. State-funded Buy-in does not have a separate certification period. QI-1 (formerly ESLMB) can only be certified annually until the end of the calendar year. At the end of the certification period, eligibility must be redetermined and recertified in ACES. For most clients, the review involves a desk review by the worker.

EXCEPTION: A client who receives SSI (S01) and a Medicare Savings Program does not need to be recertified unless their SSI benefits are terminated.

NOTE: Medicare Savings Program standards change each April when the Federal Poverty Level (FPL) changes. Clients whose eligibility ends December 31st (i.e., QI-1); and clients receiving other Medicare Savings Programs with a December through March review date, should not lose program eligibility due to the cost-of-living-adjustment (COLA) January.

Medicare Savings Programs clients may use the shortened DSHS 13-691 Application for Medicare Savings Programs as an eligibility review as well as an application form.

Also see **ELIGIBILITY REVIEWS AND RECERTIFICATION** for more detail

What Medicare Savings Programs Pay

1. **Qualified Medicare Beneficiaries (QMB) program**, medical coverage group, pays for:
 - a. The Part A premium, if there is currently a cost to the client;
 - b. The Part B premium;
 - c. Medicare deductibles and co-insurance;
 - d. Medicare managed care premiums and co-payments; and
 - e. The premium for private supplemental insurance when it is cost effective to do so. See **Payment of Medical Insurance Premiums**.
2. **Specified Low-Income Medicare Beneficiaries (SLMB) program**, medical coverage group S05, pays for the Part B (medical insurance) premium only.
3. **Qualified Individuals (QI-1) program, formerly known as Expanded Specified Low-income Medicare Beneficiaries (ESLMB)**, medical coverage group S06, pays for the Part B (medical insurance) premium only.
4. **Qualified Disabled Working Individual (QDWI)**, medical coverage group S04, pays for the Part A (hospital insurance) premium only.
5. **Qualified Individuals (QI-2) program** - are entitled to Medicare Part A, meet the income and resource standards for QI-2, but are not otherwise eligible for Medicaid. Clients apply through Medical Assistance Administration. This is an annual payment which only pays a portion but not all of the monthly cost of Part B premiums.

Special circumstances

For QMB, SLMB, QI-1 or State-funded Buy-In, a person need only be eligible for Medicare Part A. They do not have to be receiving it (enrolled) at the time of the application to receive benefits. However, to receive retroactive certification, the client must have been entitled to Medicare Part A for each retroactive month.

NOTE: Persons may have chosen to not receive Medicare Part A because of premium costs. For QMB/SSI clients, the department pays those premiums so the person is able to take advantage of the benefit.

For assistance, see Contact Information for email and phone listings.

Payment of Medical Insurance Premiums

Any applicant who declares other medical coverage on the application completes a DSHS 14-194 Medical Coverage Information. See instructions in Third Party Liability (TPL).

EXCEPTION: For those applicants whose other medical coverage is Medicare, see ACES for completion of TPL screens. For assistance on TPL screens see Contact Information for email and phone listings.

Once a client is determined eligible for QMB, the client may request MAA/COB pay their insurance premium. All requests are reviewed for cost effectiveness. When a QMB-approved client is enrolled or enrolls in a Medicare managed care program, the department may pay the monthly premium for Medicare managed care or supplemental insurance. Other insurance premiums may be paid based on cost effectiveness.

Once a referral is made, it takes 30-60 days to be processed. Each case is reviewed by a premium specialist for type of program, type of insurance, medical need and cost effectiveness of paying the client's premium. Payments cannot be retroactive for months prior to Medicaid approval. A client can call Coordination of Benefits (COB) at 1-800-562-6136, Monday to Friday, 8:00 a.m. to 4:30 p.m.

E-mail the premium specialist:

Michelle Hergert	A-ERH	hergemt@dshs.wa.gov
Denise Barker	ERI-LEE	barkemd@dshs.wa.gov
Kasandra Wilson	LEF-ROBB	wilsoky@dshs.wa.gov
Jeri Miller	ROBE-Z	millejl@dshs.wa.gov

The e-mail should indicate the client is requesting COB pay the premium, and include: Client name, client ACES ID, Social Security Number, Authorized Representative if applicable, insurance company name, and policy/subscriber number if known. If the insurance is through an employer, include the employer's name and phone number

including the area code.

Medicare Savings Programs and Spenddown

1. A client pending spenddown may be eligible for Medicare Savings Programs if their income and resources meet program requirements. The MSP program is opened in ACES while the S99 case is pending. A dual eligible person continues to receive QMB and SLMB when the S99 is opened.
2. When a client pending spenddown receives MSP benefits under the QI-1 (formerly ESLMB) program and is later certified for a CN or MN medical program, ACES will send an alert to the worker to close QI-1.

EXAMPLE

A person is pending spenddown and MSP QI-1 is opened based on income. The client subsequently meets spenddown and is certified for six months of MN/S99. The client's countable income is \$900 per month. While the client's countable income is under the QI-1 standard, they cannot receive QI-1 while receiving MN/S99. The department pays the client's Part B (medical insurance) premium under the State-Paid Buy-in program while the person is certified for S99. When the S99 certification ends, the person is re-opened on QI-1 for any months remaining in the original certification. This does not require a new application.

WORKER RESPONSIBILITIES

1. Eligibility for the QI-2 program is determined by MAA. Field workers are responsible for determining eligibility for all other MSP programs.
2. Inform possible QI-2 clients that they can call the MAA Helpline toll-free at 1-800-562-3022, or for TDD only (1-800-848-5429), to get a DSHS 13-688 Application for Medicare Qualified Individual (QI-2) Benefits or to obtain more information on the QI-2 program.
3. Refer clients with questions for their Medicare representative to 1-800-MEDICARE (toll-free 1-800-633-4227; TTY/TDD: 1-877-486-2048). Services are available in English and Spanish. Information is also available on the Internet at www.medicare.gov.

4. A person getting benefits from the Railroad Retirement Board should call the local RRB office or 1-800-808-0772.